

Taconic Telephone Corp.
d/b/a Consolidated Communications
and
Taconic Telcom Corp.
d/b/a Consolidated Communications Long Distance

State of Massachusetts

Docket D.T.C. 21-4

Respondent: Bradley Sims
Title: Financial Analyst
Tax

REQUEST: Massachusetts Department of Telecommunications and Cable,
Information Request, Set 2

DATED: 11/1/2021

ITEM DTC 2-2: Refer to DTC 1-9. On the FY2020 Form 5941, section 2, line 17, Taconic reports \$79,915 in Massachusetts depreciation and amortization operating expenses. On Forms 5941 for FY2021 and FY2022, Taconic reports depreciation and amortization operating expenses of \$393,375 and \$178,639 respectively. Identify and describe the causes of this variation in depreciation and amortization operating expenses across these years.

REPLY: Fair market value adjustments were made due to the acquisition of Fairpoint Communications by Consolidated Communications in July of 2017. These adjustments were depreciated over a very short life (2-3 years) since the assets represented were generally several years old. These depreciation/amortization charges are the cause for the short-term bump in expense.